Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Text

SECRET

PAGE 01 STATE 136690

15
ORIGIN SS-25

INFO OCT-01 ISO-00 /026 R

DRAFTED BY NEA/ARN:DBLAKEMORE:PDW
APPROVED BY NEA/ARN:PKBULLEN
S/S - JPMOFFAT
NEA/ARP:FMDICKMAN
NEA:TPTOMPKINS
---------- 007687
R 112218Z JUN 75
FM SECSTATE WASHDC
TO USCINCEUR

S E C R E T STATE 136690

EXDIS - MILITARY ADDEE HANDLE AS SPECAT EXCLUSIVE

E.O. 11652: GDS

TAGS: MASS, JO, SA

SUBJECT: FMS CREDIT FOR JORDAN

REF: AMMAN 3770

PER REFTEL STATE 120321 DATED 7 JUNE 1974 IS BEING
REPEATED HEREWITH. BEGIN TEXT:

DEPARTMENT HAS CONSIDERED ARRANGEMENTS THAT WOULD
ACCOMMODATE SAUDI DESIRE FOR DIRECT PAYMENTS TO USG WHILE
PROTECTING US INTERESTS AND MINIMIZING COLLECTION EFFORTS
WITH SAUDIS. FOLLOWING IS PROCEDURE WE WOULD PROPOSE TO
FOLLOW, SUBJECT TO YOUR COMMENTS. (THIS PROCEDURE ASSUMES
CONGRESS WILL PROVIDE ENOUGH FUNDS FOR FMS PROGRAM THAT
ENTIRE DOLS 30 MILLION FOR JORDAN CAN BE DIRECT USG CREDIT.
IN THE EVENT FMS APPROPRIATIONS WERE TO FALL SIGNIFICANTLY
BELOW THE ADMINISTRATION'S REQUEST, SOME PORTION OF THE
JORDAN PROGRAM MIGHT HAVE TO BE PRIVATE LOAN(S) WITH USG
GUARANTEE. WE WOULD THEN HAVE TO REVIEW PROPOSED PROCEDURE
SECRET

SECRET

PAGE 02 STATE 136690

TO DETERMINE WHETHER IT IS COMPATIBLE WITH PRIVATE CREDITS.)

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

A. EMBASSY AMMAN WOULD BE AUTHORIZED TO ENCOURAGE GOJ SEEK SAG AGREEMENT TO BECOME CO-OBLIGOR UNDER DOLS 30 MILLION CREDIT AGREEMENT WITH USG;

B. CONFIRMING EXCHANGE OF LETTERS BETWEEN EMBASSY AMMAN AND GOJ COULD FOLLOW, SO LONG AS SUCH EXCHANGE DOES NOT OPERATE TO RELIEVE GOJ OF ITS REPAYMENT OBLIGATIONS;

C. USG WOULD ENTER INTO CREDIT AGREEMENT WITH GOJ AND SAG, WHEREBY USG WOULD UNDERTAKE TO EXTEND DOLS 30 MILLION CREDIT TO GOJ, GOJ WOULD PROMISE TO REPAY, AND SAG WOULD ALSO PROMISE TO PAY AS REPAYMENTS BECOME DUE AND TO CONSIGN PROMISSORY NOTES TO BE ISSUED BY GOJ IN CONNECTION WITH EACH DISBURSEMENT.

PROVISIONS THAT WOULD BE ADDED TO STANDARD FMS BOILER-PLATE UNDER FOREGOING APPROACH WOULD BE ALONG FOLLOWING LINES:

A. CREDIT AGREEMENT - "IN CONSIDERATION OF THE EXTENSION OF CREDITS BY THE USG TO THE GOJ, THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA HEREBY UNCONDITIONALLY AGREES TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTES IN ACCORD-ANCE WITH THE TERMS OF THIS AGREEMENT AND AGREES TO BECOME A PARTY TO EACH NOTE AS A PRINCIPAL OBLIGOR AS PROVIDED IN EXHIBIT D ATTACHED HERETO."

B. NOTE - FOR VALUE RECEIVED, THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA, AS PRIMARY OBLIGOR, HEREBY UNCONDITIONALLY UNDERTAKES TO TENDER PROMPT PAYMENT OF PRINCIPAL OF AND INTEREST ON THE FOREGOING PROMISSORY NOTE WHEN AND AS DUE IN ACCORDANCE WITH THE TERMS THEREOF A AND TO THAT END HEREBY PLEDGES ITS FULL FAITH AND CREDIT AND WAIVES DILIGENCE, PRESENTMENT, DEMAND, PROTEST, AND NOTICE OF ANY KIND WHATSOEVER AND ANY REQUIREMENT THAT THE HOLDER EXHAUST ANY RIGHT OR TAKE ANY ACTION AGAINST THE MAKER OF THIS NOTE AND HEREBY CONSENTS TO ANY EXTENSION OF TIME OF PAYMENT OR RENEWAL THEREOF.

SECRET

SECRET

REQUEST ADDRESSEES' COMMENTS ON PROPOSED ARRANGEMENT. YOU MAY DISCUSS THIS PROPOSAL WITH HOST GOVERNMENT AT YOUR DISCRETION. IN DOING SO, HOWEVER, YOU SHOULD BE SURE IT IS UNDERSTOOD THAT THE PROPOSED DOLS 30 MILLION IN FSM CREDIT FOR JORDAN IN FY 75 IS SUBJECT TO CONGRESSIONAL APPROVAL. END TEXT. KISSINGER

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

SECRET

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE PROGRAMS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE136690
Document Source: CORE
Document Unique ID: 00
Drafter: DBLAKEMORE:PDW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750204-0718
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750659/aaaaccbk.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 75 AMMAN 3770
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 19 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 AUG 2003 by KelleyW0>; APPROVED <03 DEC 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FMS CREDIT FOR JORDAN
TAGS: MASS, JO, SA, US
To: USCINCEUR
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006